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**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

|                              |                          |
|------------------------------|--------------------------|
|                              | <b>X</b>                 |
| <b>CHAMILIA, LLC,</b>        | :                        |
|                              | <b>Civil Action No.:</b> |
|                              | <b>04 CV 06017 (KMK)</b> |
| <b>Plaintiff,</b>            | :                        |
|                              | :                        |
| <b>-against-</b>             | :                        |
|                              | <b>ECF CASE</b>          |
| <b>PANDORA JEWELRY, LLC,</b> | :                        |
|                              | :                        |
|                              | :                        |
| <b>Defendant.</b>            | :                        |
|                              | <b>X</b>                 |

**SUPPLEMENTAL DECLARATION OF STEVE GLUECK IN SUPPORT OF  
DEFENDANT'S MOTION FOR SUMMARY JUDGMENT**

STEVE GLUECK, does hereby declare:

1. I submit this supplemental declaration in support of defendant's motion for summary judgment. I understand that my original declaration dated January 12, 2005 is also submitted to the Court.
2. I am a sales representative for Pandora Jewelry, LLC ("Pandora") and am responsible for promoting and distributing Pandora's unique and distinctive line of silver and 14-karat gold jewelry to retailers in California, Oregon, Washington, Nevada, Arizona and Hawaii.

3. I am providing additional testimony to address recent activity in my territory concerning Chamilia. I have personal knowledge of the facts stated herein.

4. In March of this year, I started to receive telephone calls from Pandora customers in my territory expressing concerns about aggressive and intimidating sales calls made on them by Chamilia representatives. Several of my customers told me that Chamilia sales representatives were calling them "stupid" for not also purchasing Chamilia's jewelry products and selling those alongside Pandora jewelry products because all other Pandora retailers were carrying both Chamilia's and Pandora's lines. Those customers indicated that they felt bullied by Chamilia and that Chamilia led them to believe that if they were abiding by the exclusivity policy of Pandora that, in effect, they were the only ones. My customers requested an explanation from me as to whether this was true and wanted an assurance that Pandora was requiring exclusivity of all its retailers.

5. Facing an increasing number of these calls and requests, as many as three a day, I decided an appropriate response would be to send a letter to Pandora customers in my territory. I wrote the letter and before distributing it to Pandora's customers in my territory I obtained the approval of Michael Lund Petersen.

6. The letter addressed Pandora's customers' concerns and explained that by signing Pandora's Terms and Conditions policy retailers agree to sell Pandora jewelry products exclusively and that Chamilia's information that all Pandora's retail customers were selling both Pandora and Chamilia products was not true. Attached hereto as Exhibit N is a copy of my April 12, 2005 letter to customers in my territory. As expressed in my letter, it is my opinion with over 20 years of sales experience, that Chamilia was pressuring Pandora's customers to purchase Chamilia jewelry products alongside Pandora's by instilling doubt about whether "all Pandora's

accounts" were adhering to Pandora's exclusivity policy. In my opinion, these are "strong arm" sales tactics.

7. Also, given the past litigation between Chamilia and Pandora wherein Chamilia admitted to infringing copyrighted designs of Pandora, I believe that Chamilia is a "knock-off" company which offers copies of Pandora's jewelry products.

8. Again, my letter was to address the concerns of Pandora's customers' and to set the record straight regarding Pandora's exclusivity policy.

I DECLARE under penalty of perjury that the foregoing is true and correct.

Dated: Los Angeles, California  
July 15, 2005

  
Steve S. Gluck  
Steve Gluck

**EXHIBIT N to Supplemental Declaration  
of Steve Glueck  
dated July 15, 2005**

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April 12, 2005

Dear Valued Customer,

It has been brought to my attention that the Chamilia sales force has been trying to strong-arm some of our customers into buying their product. It seems to me that this is a last desperate approach in trying to gain some market share. My stores felt bullied a bit when the representative informed them that "all the Pandora accounts" were carrying Chamilia along side Pandora. I would like to assure you that this could not be further from the truth. As you all know, we have an agreement with you to not carry the knock-off companies, as we have outlined in our terms and conditions policy. There is a significant quality and image difference and I believe that you all understand where Pandora is heading in the future. I am writing this letter to inform you of their tactics. If they approach you, you will know where this is coming from. I hope I am not over-analyzing, but due to the fact that two of our stores called us in one day, I felt it important enough to bring it to your attention.

The rest of my sales team and myself are anxious to see you all very soon with all the news and product coming from Pandora in the immediate future. Please call me if you have any questions.

Best Regards,

A handwritten signature in black ink that appears to read "Steve Glueck".

Steve Glueck

(310) 567-9014





September 16, 2004

Re: Pandora LLC Terms and Condition

Dear Pandora Customer:

We at Pandora would like to take another opportunity to thank you for being a customer of our unique line of jewelry products. We consider each and every Pandora customer a valuable asset to our fast growing enterprise and rely on our customers to actively and aggressively promote the Pandora line of jewelry products in the United States.

As you know, Pandora is engaged in the business of designing, creating, manufacturing, marketing, distributing and selling custom designed bracelets and necklaces featuring sterling silver and 18k jewelry beads under the distinctive PANDORA Mark.

Mid 2005, Pandora also plans to launch a design and style match program (Pandora Match) which will feature, rings earrings and toe rings along with other items.

Pandora has invested significant amounts of time, effort and financial resources to develop, market, monitor and control the quality and integrity of product produced under the PANDORA Mark. As a result of these efforts, sales of these jewelry products in the United States have far exceeded even our expectations. The tremendous success of the Pandora line of jewelry products is due in large part to customers like you across the country.

Pandora is fully aware of the increasing number of manufacturers and retailers who are producing, offering to sell, or selling necklaces and bracelets in the United States which appear to utilize substantially the same construction and perform the same function as described and published in Pandora's patent application. This would include Pandora's original design by which jewelry beads, spacers and clips are fastened to necklaces and bracelets. Under separate cover, we have provided you with notice of this published pending patent application.

We are also aware that several companies are copying our copyright-protected jewelry designs. Rest assured we at Pandora are aggressively pursuing those who infringe on our intellectual property rights.

Resulting from the above-mentioned entry of new manufacturers in the marketplace, and Pandora's commitment to maintain the integrity and quality of its unique jewelry products, Pandora would like to reiterate its policy which sets forth terms and conditions under which customers may sell the Pandora Brand of jewelry products.

Please read the following information carefully. By signing and returning a copy of this letter, you indicate your acceptance of, and agreement to be bound by, the terms and conditions set forth below.

**Sales**

1. As a customer of the Pandora Brand of jewelry products, you agree not to sell any other brand of modifiable jewelry which may appear to utilize substantially the same construction and perform the same function as described in Pandora's patent application.

If you decide to promote and distribute the Pandora line of jewelry products, you will agree to the above paragraph #1.

If you decide to promote and distribute any other brand of jewelry products that appears to utilize substantially the same construction and perform the same function as described in Pandora's patent application, be advised that Pandora will not fulfill future orders for product. In this case, please contact us to arrange the return of unsold Pandora inventory for a full refund.

2. As a customer of the Pandora Brand of jewelry products you agree not to sell on auction sites similar but not limited to [www.ebay.com](http://www.ebay.com).

If you decide to promote and distribute the Pandora line of jewelry products, you will agree to the above paragraph #2.

If you decide not to accept this term, be advised that Pandora will not fulfill future orders for product. In this case, please contact us to arrange the return of unsold Pandora inventory for a full refund (we will not except any returns without written authorization from Michael Lund and an R/A number).

If you would like to discuss any of the terms and conditions discussed above, please do not hesitate to contact your sales representative. You may also contact Pandora directly.

Very truly yours,

Michael Lund  
President

PLEASE SIGN AND RETURN A COPY OF THIS LETTER TO INDICATE YOUR ACCEPTANCE OF, AND AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH ABOVE BY OCTOBER 1, 2004.

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DATED

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BUSINESS NAME

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NAME

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TITLE